

MARKET ANALYSIS - October 24, 2002

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We witnessed a lackluster start, followed by a disappointing end in the corn market this week. Low export sales last week (651 thousand tons) combined with harvest and seasonal pressures held price steady to lower. Harvest progress numbers came out as expected at 51% versus a 60% five-year average. The bulls are pinning their hopes that a confirmation of harvest low will come soon and end users become more aggressive in the buying as a result of tight balance sheets. 6 – 10 day weather forecasts are calling for below normal temperatures and above normal precipitation in the western parts, which will keep harvest activity slow for the remainder of October. Poor export sales (517 thousand metric ton) on Thursday sent prices down. December corn futures are down about a nickel on the week but local basis strengthened leaving things virtually unchanged in our region. We saw a good solid week for soybeans motivated in part by South American dryness, which is expected to persist in northern Brazil over the next few weeks. Meanwhile U.S. harvest progress numbers showed that the harvest is on the last quarter of the crop so any weather pattern is unlikely to affect the harvest to any significant degree. Soybean trade ended the week on a positive note following a solid weekly export sales number. Sales came in at an outstanding 1.208 million metric ton - almost double expectations. Futures moved to a new October high in response. Expectations for the monthly Census crush report of September are at 123.6 million bushels. In the cash markets, the average national farm price of soybeans is expected to be near \$5.45, nearly \$1.00 higher than the average of the last three years. Fortunately, local producers enjoy a slight premium over this average (and hence a slighter higher basis). Not only did futures rise over the week, but also, so did our basis – all in all great news. Wheat trade has been mixed all week (but finishing generally lower) at all three ‘wheat exchanges’ – CBOT, Kansas and Minneapolis. The weekly USDA progress report continues to show winter wheat planting ahead of normal, now at 84%. Traders were looking for new export news to help the wheat market find support this week and were not too disappointed when numbers came in slap bang in the middle of expectations. This neutral report was enough to offset much of the technical trading (weakness) witnessed over the last week.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Dec02)	NEW (Dec02)	CASH (Nov02)	NEW(Nov02)	CASH(Dec02)	NEW(Jul03)
Baltimore	n/a	n/a	-\$.25	-\$.25	n/a	n/a
Western MD	+\$.45	+\$.43	+\$.10	+\$.20	-\$.27	n/a
Central MD	+\$.37	+\$.31	-\$.13	-\$.17	+\$.04	-\$.22
Southern MD	+\$.25	+\$.25	Even	Even	-\$.27	-\$.30
Upper E. Sh	+\$.30	+\$.30	-\$.01	-\$.01	-\$.27	-\$.25
Lower E. Sh	+\$.42	+\$.42	+\$.13	+\$.13	-\$.25	-\$.23

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS

Wet weather in Maryland continued into last week from the previous week, hindering field activities, but improving soil moisture. **Topsoil** rated in adequate supply increased 18 percent from the previous week and 55 percent from two weeks ago. Topsoil is rated 3 percent in surplus supply, 86 percent adequate, and 11 percent short. The recent precipitation is slowly restoring **subsoil** moisture, which remains in mostly short to very short supply. Subsoil rated in adequate supply is 3 percent more than the previous week, and 17 percent more than two weeks ago. Subsoil is rated 1 percent surplus, 35 percent adequate, 53 percent short, and 11 percent very short. The rain showers put a damper on field activities with farmers averaging **3.7 days suitable for fieldwork** Precipitation for the month so far ranged from 2.1 inches in Garrett County to 5.1 inches in Harford County. All counties have received above average accumulations of rainfall for October to date. Departure from normal ranges from .3 inches above normal in Garrett County to 3.1 inches above normal in Cecil County and Harford County. Some field activities, such as cutting hay, are behind schedule for this time of year. **Alfalfa hay, fourth cutting**, is 87 percent complete, 8 percent behind last year, and 2 percent behind the five year average. The **fifth cutting of alfalfa** is 28 percent complete, 34 percent less than last year, and 14 percent behind the average. **Other hay, fourth cutting**, is 75 percent complete, 19 percent behind last year, and 10 percent behind the average. **Hay supplies** are rated 1 percent surplus, 41 percent adequate, 36 percent short, and 22 percent very short.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	10/16	10/23	10/16	10/23	10/16	10/23	10/16	10/23
Baltimore	----	---	5.22	5.30	----	----	----	----
Western Md	3.08	2.95	5.61	5.65	3.79	3.70	1.65	1.58
Central MD	2.88	2.87	5.35	5.42	4.15	4.01	1.50	1.50
Southern MD	2.78	2.75	5.37	5.55	3.81	3.70	1.45	----
Upper E. Sh	2.83	2.80	5.42	5.54	3.81	3.70	----	----
Lower E. Sh	2.93	2.92	5.52	5.68	3.83	3.72	1.30	----

Soybean Meal		Lower Eastern Shore		Dealer's Average Cash Quotes (\$/ton)	
Date	10/16	10/23	Date	10/16	10/23
48% Soybean Meal	205.00	206.00	44% Soybean Meal	195.00	194.00

FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer's Avg Quote								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	10/16	10/23	10/16	10/23	10/16	10/23	10/16	10/23
Baltimore	----	----	5.22	5.30	----	----	----	----
Western Md	----	2.93	----	5.75	----	----	----	----
Central MD	2.88	2.81	5.35	5.38	3.20	3.07	----	----
Southern MD	2.78	2.75	5.37	5.55	3.13	2.99	1.45	1.45
Upper E Shore	2.83	2.80	5.42	5.54	3.18	3.04	1.60	1.60
Lower E Shore	2.93	2.92	5.52	5.68	3.20	3.06	1.54	1.54

GRAIN FUTURES - Chicago Board of Trade (cents\$/bu) - Oct 23, 2002							
Corn		Soybeans		Wheat		Soybean Meal ¹	
Dec	250.25	Nov	554.50	Dec	396.50	Dec	170.90
Mr03	255.00	Ja03	554.75	Mr03	393.75	Ja03	171.00
May	257.50	Mar	554.25	May	370.25	Mar	171.10
Jul	258.25	May	551.75	Jul	329.00	May	170.10
Sept	249.00	Jul	550.50	Sept	332.50	Jul	169.30
Dec	242.50	Aug	542.50	Dec	340.50	Aug	167.10

¹ \$/ton

HAY AND STRAW (\$/cwt)							
New Holland, PA - \$/ton - Oct 21, 2002 - 105 Loads -							
Alfalfa 120.00-250.00		Timothy 52.00-185.00		Mixed 110.00-240.00		Straw 67.00-117.00	
Orchardgrass 122.00-190.00		Broomegrass 127.00-130.00					
Westminster, MD - \$/bale - Oct 26, 2002 - 126 Loads							
Alfalfa 2.40-5.90		Alfalfa (Mixed) 2.50-4.00		Timothy 1.60-4.40		Timothy (Mixed) 2.00-2.40	
Grass 1.65-4.50		Grass (Lg Rd) 14.00-28.00		Straw 1.10-1.80		Mulch .60-1.90	
POULTRY (Grade A) - Week Ending Oct 26, 2002 Negotiated Price, cents/lbs							
				Current Week		Week Ago	
				Month Ago		Year Ago	
NY Wtd Avg. (Fryers)				45.39		45.45	
12-City Composite				53.21		52.70	
				56.69		60.43	
LAMBS - Westminster, MD - \$/cwt - Oct 22, 2002							
Hi-Ch		100-130 lbs		81.00-87.00		Hi-Ch	
		70- 99 lbs		81.00-91.00		40-65 lbs	
						86.00-110.00	
						Sheep	
						100-200 lbs	
						27.00-56.00	
TERMINAL MARKETS HOGS - Oct 24, 2002				DIRECT MARKET HOGS - Westminster, MD-Oct 23, 2002			
Base Price Range (\$/cwt) a.m.		Carcass Basis Base 185 lb Hog		Sows (1-3) 300-449 lbs		1&2 190-220 lbs 27.00-29.25	
Eastern Cornbelt		36.50-44.04		18.21-23.50			
Iowa, Minn		38.00-42.14		13.00-25.32		Millsboro, DE Market Hogs - \$/cwt - Next Sale 11/05/02	
FEEDER PIGS - (\$/cwt) -							
Gumboro, DE - Oct 24, 2002				New Holland, PA - Oct 23, 2002			
Head: 401 Trend None				Head: 471 Trend: Not trended-due to last week's very light run.			
30-39 lbs		30.00-90.00		60-69 lbs		25.00-33.00	
40-59 lbs		25.00-40.00		70-79 lbs		15.00-30.00	
				35% returned		33-36 lbs 50.00-72.00	
						57-58 lbs 30.00-42.00	
LIVE CATTLE FUTURES - Chicago Mercantile Exchange- (\$ cwt) - Oct 23, 2002				HOG FUTURES - Chicago Mercantile Exchange - (\$ cwt) - Oct 23, 2002			
Oct 69.22		Apr 74.67		Dec 41.95		May 58.05	
Dec 72.50		Jun 69.77		Feb03 48.15		Jun 60.95	
Fb03 74.67		Aug 69.40		Apr 51.90			
STOCKER-FEEDER CATTLE - (\$/cwt)							
Winchester, VA - Oct 21, 2002				Westminster, MD - Oct 23, 2002+			
Steers		300-400 lbs 84.50-90.00		Steers		300- 500 lbs 74.00- 84.00	
		400-500 lbs 83.00-90.50				500- 750 lbs 60.00- 66.00	
		500-600 lbs 76.00-86.00		6- Hols		1020-1100 lbs 44.00- 46.00	
		600-700 lbs 76.00-78.00		Heifers		200- 500 lbs 58.00- 68.00	
		700-800 lbs 68.50-70.25				500- 700 lbs 58.00- 66.00	
Heifers		300-400 lbs 70.00-79.00				700- 900 lbs 58.00- 63.00	
		400-500 lbs 69.00-75.00				900-1100 lbs 55.00- 61.00	
		500-600 lbs 67.00-70.00		Hols Bulls #1		90- 120 lbs 97.00-112.00	
		600-700 lbs 65.50-70.25		#2		90- 120 lbs 65.00- 90.00	
		700-800 lbs 68.50-70.75				80- 88 lbs 45.00- 57.00	
		800-900 lbs 64.50-68.75		Hols Heifers #1		85- 105 lbs 400.00-510.00	
				#2		80- 95 lbs 230.00-375.00	
Lancaster, New Holland & Vintage - Week Ending - Oct 26, 2002							
Bull, Holstein		95-125 lbs 80.00-122.00		Plainer		95-115 lbs 100.00-117.00	
Heifers, Hols.		95-125 lbs 290.00-630.00		Plainer		95-110 lbs 460.00-480.00	
SLAUGHTER CATTLE (\$/cwt)							
Westminster, MD - Oct 22, 2002							
Fed Steers				Fed Heifers			
H-Ch-P		1200-1550 lbs 64.00-67.00		H-Ch		1100-1300 lbs 64.00-66.50	
H-Ch-P- Hols		1350-1500 lbs 54.50-58.00		L-Ch		950-1100 lbs 51.00-56.50	
L-Ch		1200-1500 lbs 51.00-54.00		Select - Hols		41.00-47.00	
Cows				#2 Pr		1440-1472 lbs 64.00-68.00	
Breakers		35.00-39.50		Veal Calves			
Boners		33.00-36.50		Good		80- 100 lbs 37.00-45.00	
Lean		29.00-33.00					
Thin & Light		29.00-DOWN					
Lancaster, New Holland & vintage - Week Ending - Oct 26, 2002							
Steers, Choice 2-3		1195-1480 lbs 63.00-67.00		Closed with a lower undertone			
Heifers, Choice 2-3		1150-1450 lbs 63.00-66.25		Not established			
Cows, Breakers 75-80 pct lean		40.25-44.25		Closed fully - \$1 higher			
Bullocks, Select-few 1-2		1125-1480 lbs 52.75-57.50		n/a			
Bulls, YG-1, few		1130-2030 lbs 43.75-57.50		Not tested due to light run			
Vealer, Standard & Good		85- 115 lbs 25.00-35.00		Mostly steady - instances \$5 lower early in week			

For more information about this report, call 410-841-5740 or write:

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